

**Rail Enhancement Fund  
Monthly Revenue Collections  
FY 03 - FY 06**

Month	FY03	FY04	FY05	FY06 *
July	\$ 2,251,840	\$ 1,909,378	\$ 1,988,571	\$ 2,237,075
August	1,929,309	2,041,153	2,253,069	2,185,794
September	2,015,946	2,122,243	2,115,381	2,334,679
October	1,597,771	1,791,011	1,796,489	2,049,296
November	2,009,175	1,995,445	1,871,186	1,902,832
December	1,386,677	1,542,055	1,662,236	1,742,761
January	1,498,868	1,688,671	1,578,399	1,738,379
February	1,373,652	1,378,712	1,437,407	1,456,069
March	1,248,436	1,453,860	1,492,343	1,473,999
April	1,509,256	1,617,438	1,676,706	1,998,791
May	1,523,961	1,696,998	1,714,703	1,726,125
June	1,788,462	1,756,099	1,781,184	2,142,525
<b>Total</b>	<b>\$ 20,133,353</b>	<b>\$ 20,993,063</b>	<b>\$ 21,367,674</b>	<b>\$ 22,988,323</b>

\* - Includes interest earnings of \$403,557 for FY 2006.

## Virginia Vehicle Rental Taxes

**Summary:** § 58.1-2402 imposes the rental tax on motor vehicles in Virginia. A total of 10% is levied under sections A.3., A.4., and A.5. of § 58.1-2402 Code of Virginia. The 10% is distributed as follows: 4% to the locality where the rental was processed, 4% to the Commonwealth of Virginia, and 2% for debt service on the Department of State Police's STARS system. The 4% Commonwealth deposit is processed as follows: 1% to the Transportation Trust Fund and 3% to the Rail Enhancement Fund. The estimate of the Rail Enhancement fund portion of these revenues for FY 2006 was revised in December of 2005 to \$21.4 million. The Actual code citations are included hereafter.

§ 58.1-2402. Levy.

A.3. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

§ 58.1-2425. Disposition of revenues.

A. (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iv) except as otherwise provided in clause (iii) of this sentence, all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the state treasury and shall be paid into the Rail Enhancement Fund established by § 33.1-221.1:1.1;

§ 58.1-2402. Levy.

A.4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth.

§ 58.1-2425. Disposition of revenues.

A. (ii) all funds collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to the rentee;

§ 58.1-2402. Levy.

A.5. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented, enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

§ 58.1-2425. Disposition of revenues.

A. (v) all additional revenues resulting from the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004 Session of the General Assembly shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by the 2004 Session of the General Assembly.